

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

ORIGINAL

In re:)	Chapter 11
)	
W. R. GRACE & CO., et al.,)	Case No. 01-01139 (JKF)
)	(Jointly Administered)
)	
Debtors.)	

Re: Docket No. 2234 and 6/17/03 Agenda Item No. 5

**STIPULATION AND AGREED ORDER BETWEEN THE DEBTORS
AND TIMOTHY KANE ALLOWING PARTIAL RELIEF
FROM THE AUTOMATIC STAY FOR CERTAIN DISCOVERY**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") and Timothy Kane ("Kane") hereby stipulate and agree as follows:

WHEREAS, in September of 2000, Kane filed the action known as Kane v. Walt Disney World Co., et al., Case No. CI-00-6803 (Cir. Ct. Orange Cty., Florida) (the "Kane Action") against Disney and W. R. Grace & Co.-Conn., among others. On August 23, 2001, Kane filed an Amended Complaint; and

WHEREAS, by a motion filed with this Court on or about October 26, 2001, Kane sought relief from the automatic stay to pursue the Kane Action. At the hearing before this Court on January 3, 2002, the Court granted Kane partial relief from the automatic stay to depose certain employees of the Debtors. The Court granted this partial relief based on the relative lack of involvement of the particular named employees of the Debtors with the chapter 11 cases and the possibility that the depositions would provide information that would dispose of the Kane Action with respect to the Debtors; and

WHEREAS, on or about June 18, 2002, Kane filed a motion once again seeking relief from the automatic stay to pursue the Kane Action (the "Motion"). On or about August 9, 2002

the Debtors filed an objection to the Motion. At the hearing before this Court on September 23, 2002, the Court continued the hearing on the Motion to May 19, 2003. By agreement of the parties, the hearing was further continued to June 17, 2003.

WHEREAS, the undersigned parties now desire to resolve the Motion on the terms and subject to the conditions of this Stipulation and Order.

NOW THEREFORE, it is hereby stipulated and agreed by and between the parties to the Stipulated Order, through their undersigned Counsel, that:

1. The Debtors and Kane agree that discovery may proceed in the Kane Action, including as it relates to Debtor and Debtor's product, limited to self-adhering roofing underlayments (which is the subject of Kane's lawsuit), subject to that discovery being calculated to lead to the discovery of admissible evidence solely as to the issues presented by Kane's lawsuit.

2. Except as set forth in paragraph 1, the automatic stay shall remain in effect as it applies to the Kane Action.

3. The Debtors and Kane also agree that the Kane Action shall not proceed to trial unless or until either (a) the Debtors and Kane reach agreement with respect to further lifting of the stay or (b) the Court enters an order to lift the automatic stay with respect to the Kane Action.

4. Nothing contained herein shall affect: (a) the rights of the Debtors to object to Kane's bankruptcy claim on any and all grounds that are not inconsistent with any settlement, judgment, or other disposition of the underlying claims or the Bankruptcy Code; (b) the rights of the parties to prosecute or defend the claims asserted by Kane on any and all grounds; and (c) the

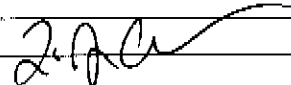
rights of the Debtors to receive contribution or indemnification from any other co-defendants, if any.

5. This Stipulation and Agreed Order shall not be modified or altered, amended or vacated without written consent of all parties hereto. Any such modification, alteration, amendment or vacation, in whole or part, shall be subject to approval of this Court.

6. This Stipulation is subject to the approval of this Court, and the terms and provisions of the agreement contained herein shall be void and of no further force and effect if such approval is not granted.

/Signatures on Following Page]

Dated: June 17, 2003


Telephone: 302 622 4206

Attorney for Timothy Kane

and

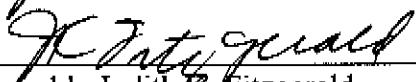
KIRKLAND & ELLIS



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Attorney for the Debtors

SO ORDERED, this 17
day of June, 2003


The Honorable Judith R. Fitzgerald
United States Bankruptcy Judge